



Senate Finance Committee

COVID-19 Funding Sources & Budget Projections

May 21, 2020

RHODE
ISLAND

Federal COVID-19 Relief Acts

Two initial acts were smaller in scale

Coronavirus Preparedness and Response Supplemental Appropriations Act (H.R. 6074)

- \$8.3B, mostly directed to U.S. Dept. of HHS
- Date Enacted: March 6

Families First Coronavirus Response Act (H.R. 6201)

- At least \$3.5B, directed to U.S. Dept. of HHS (FMAP) in addition to some funding for SNAP and nutrition programs
- Date Enacted: March 18

Third Act (CARES Act) provides billions in funding to RI

Coronavirus Aid, Relief, and Economic Security (CARES) Act (H.R. 748)

- \$2.2T in funding
- Date Enacted: March 27
- Among various legislative changes targeting businesses and individuals, it provides two major categories of funding for state and local governments:

Coronavirus Relief Fund:

\$1.25B to RI for broadly defined “necessary expenditures” in response to public health emergency

Emergency Appropriations for Coronavirus Health Response and Agency Operations:

At least \$300M for RI for a variety of defined purposes. Includes funding for existing programs, expansions, new programs, and some competitive/discretionary funds

Fourth Stimulus Bill

Paycheck Protection Program and Health Care Enhancement Act (H.R. 266)

- Passed by Senate, awaiting House passage
- \$484B in funding
- \$380B aimed at assisting small businesses, primarily through increases to Paycheck Protection Program and Economic Injury Disaster Loans
- \$75B for eligible expenses and lost revenues for hospitals
- \$25B for COVID-19 testing

CARES Act Federal Guidance Overview

- CARES Act statutory language provided little detail regarding allowable uses of funding under Coronavirus Relief Fund. The CARES Act did specify that expenditures must be:
 - 1) Necessary expenditures related to the public health emergency
 - 2) Expenditures not included in most recently approved budget [for RI this is the FY 2020 Enacted Budget; no budget has yet been formally enacted for FY 2021, so some flexibility remains]
 - 3) Expenditures incurred between March 1, 2020 and Dec. 30, 2020
- In addition, U.S. Treasury released four pages of CARES Act guidance and a one-page Q&A on April 23, which provide some additional clarification.

Less Restrictive	More Restrictive
<ul style="list-style-type: none">• Economic support expenditures are allowable, as well as other “second-order” impacts• Public health and public safety personnel costs are generally allowable	<ul style="list-style-type: none">• Does not provide any additional flexibility on backfilling revenue

- The State has additional flexibility to use CARES Act funding to satisfy the 25% State match required for FEMA-approved projects.

Hospital Assistance Partnership Program

Hospital Assistance Partnership Program

To maintain a responsive hospital system and to strengthen the overall preparedness and resilience of Rhode Island’s healthcare system, this program will provide financial assistance to hospitals through successive grants.

- **Phase 1:** Proportional distribution of total based on hospitals' lost revenue and additional COVID-19 expenses, less total direct CARES Act grant funding received; conditional on acknowledgement of program goals and commitment to take action and progress.
- **Phase 2:** TBD

Highlights	COST Through 12/30/2020	
	Low	High
HAPP Phase 1 (Mid-June funding disbursement)	\$130.0M	\$150.0M
Phase 2	TBD	TBD

**Estimated Total Range:
\$130M - \$150M**

Congregate & Child Care

Congregate Care

To support infection control, staffing, and infrastructure for continued operations of long-term care and congregate residents and workforce

- Nursing home, assisted living, DCYF foster family, DD providers included in provider rate increase
- **CCAP Rate Increase:** Rate increase from June 1, 2020 through August 31, 2020. Maximum represents extending the rate increase through December 2020

Highlights	COST Through 12/30/2020
	Estimate
COVID-19 Specialty Nursing Home Contracts	\$1.1M
Provider Rate Increase through June 30	\$15.3M
Workforce Stabilization Program (Phase 1)	\$8.2M
CCAP Rate Increase	\$3.9M

**Estimated Total:
\$28.5M**

Surge

Surge

To increase the healthcare sector's capacity for a surge of COVID-19 positive patients

- AHS Operating
 - “Low” assumes all sites on standby (cold) or operating (warm) through June 30 with one site through December (RI Convention Center only)
 - “High” assumes all sites are on standby (cold) or operating (warm) through December
- Non-AHS costs total \$6.3M
- Estimates could also vary depending on utilization

HIGHLIGHTS	COST Through 12/30/2020	
	Low	High
Alternative Hospital Sites -- Construction, Operation, Demobilization	\$77.1M	\$183.5M
Medical Examiner's Building/Vehicles	\$4.4M	\$4.4M
Other	\$1.9M	\$1.9M

**Estimated Total Range:
\$83.4M - \$189.8M**

Supplies

SUPPLIES

To manage the centralized procurement of supplies needed to address the COVID-19 public health emergency

- PPE procurement includes expenditure requests for public healthcare systems, first responders, institutional care settings, state government, and businesses
- **Example of “Other”:** Vaccination Campaign – Purchasing supplies in anticipation of global materials shortage when vaccine becomes available

Highlights	COST Through and Beyond 12/30/2020	
	Low	High
PPE Procurement	\$81.5M	\$134.0M
Ventilators	\$11.5M	\$11.5M
Other	\$5.8M	\$5.8M

**Estimated Total Range:
\$98.8M - \$151.3M**

Supplies: Personal Protective Equipment (PPE)

	N95s	Surg. Masks	Gloves	Gowns	Face Shields
# of Units Ordered	6.1M	22.9M	60.8M	1.6M	0.4M
Est. # of Additional Units Needed	1.1M	-	-	0.5M	0.1M
Est. Additional Cost	\$2.8M	-	-	\$7.9M	\$0.6M

The Supplies Workstream ordered significant quantities of PPE to supply the groups below. The quantities are expected to meet demand through the fall while maintaining a robust State stockpile. Additional purchases of N95s, gowns, and face shields are necessary to meet the workstream's 90-day inventory supply target (currently, inventory is less than a one-month supply). As the market continues to stabilize to meet the additional demand over the next several months, it is expected that licensed health care providers and businesses will be able to purchase PPE on their own.

State Employees

HHS Providers

Licensed Health Care Providers

Small Businesses

Testing

Testing

To increase and implement all types of diagnostic testing and detection of COVID-19 across the State

- RIDOH engaged three vendors to provide diagnostic laboratory services, with contractual prices ranging from \$65 per test to \$100 per test.
- Number of tests per month predicted to increase month-to-month starting at 85,700 in May 2020, peaking in September 2020 at 460,000, leveling through March 2021, and then decreasing to 166,000 by June 2021.

Highlights	COST Through and Beyond 12/30/2020	
	Low	High
Laboratory Contracts	\$164.5M	\$196.6M
Testing Supplies and Equipment	\$16.8M	\$19.7M
Testing Sites - RING Replacement Staff	\$21.6M	\$23.8M
RIEMA Tents	\$9.1M	\$9.1M
Ambulance Contracts and Mobile Testing MOUs	\$5.6M	\$5.6M
Antibody/Serology Testing and Research	\$10.7M	\$10.7M
Other	\$2.1M	\$2.1M

**Estimated Total Range:
\$230.4M - \$267.6M**

Contact Tracing and Case Investigation

Contact Tracing

To support the contact tracing and investigation efforts associated with tracking COVID-19

- ADIL staffing is for 175 contract positions, most of which are for case investigation, nurses and epidemiology.
- TTEC@Home will be contracted by RIDOH to enhance staffing at the call center for general inquiries and contact tracing, including start-up and training fees.

Highlights	COST Through and Beyond 12/30/2020	
	Low	High
Contract Staffing	\$22.3M	\$23.0M
Other	\$4.9M	\$4.9M

**Estimated Total Range:
\$27.2M - \$27.9M**

Quarantine and Isolation (Q&I)

Quarantine and Isolation

To manage the quarantine and isolation services, policies and procedures associated with particularly vulnerable populations

Highlights	COST Through 12/30/2020		COST Beyond 12/30/2020	
	Low	High	Low	High
Q & I Facilities	\$6.6M	\$7.3M	\$3.9M	\$3.9M
Senior & Food Services	\$5M	\$5M	\$1.4M	\$1.4M
Other	\$1.8M	\$2.2M	\$0.4M	\$0.4M

➤ Estimated Total Funded by Categorical Grants: \$7.2M

➤ ACL grants through CARES Act or FFCRA

**Estimated Total Range:
\$19.1M - \$20.2M**

* Funded through categorical ACL grants through CARES or FFCRA.

Technical Enablement/Deployment

Technical Enablement/Deployment

To manage the rollout of new software that directly helps to fight the spread of COVID-19, as well as supporting technical contracts.

- Salesforce better supports quick and effective contact tracing efforts to help stop the spread of COVID-19.
- CrushCovid RI App development is at no cost to the State and is a one-stop shop for COVID-19 resources for Rhode Islanders. It is an opt-in only application.

Highlights

Salesforce: Additional Development, Support & Licensing

Existing IT systems changes

Crush COVID RI: Support

**Estimated Total Range:
\$17.2M - \$19.1M**